

Description Of Federal Employees' Benefits

ANNUAL AND SICK LEAVE

Federal employees earn annual leave based on length of service. Employees with fewer than 3 years service earn 13 days each year; employees with 3 to 5 years earn 20 days and employees with 15 or more years earn 26 days. All employees, regardless of length of service, earn 13 sick leave days a year.

Annual and sick leave are earned only by employees with regularly prescribed tours of duty. Employees with an intermittent tour of duty, regardless of appointment type, do not earn annual or sick leave.

Part-time employees earn annual and sick leave on a prorated basis. One hour of annual leave is earned for every 20 hours worked by employees with fewer than 3 years of service; 13 hours worked for employees with 3 to 15 years of service, and 10 hours worked for employees with more than 15 years of service. One hour of sick leave is earned for every 20 hours worked, regardless of length of service. Civil Service Retirement System employees can have their unused sick leave added to extend their length of service for annuity.

CIVIL SERVICE RETIREMENT SYSTEM (CSRS) FEDERAL EMPLOYEES SYSTEM (FERS)

CSRS pays benefits to former employees and their survivors who meet eligibility requirements based on age and length of service. Benefits are based on an employee's "high 3" average pay. CSRS-covered employees usually contribute 7 percent of pay to the CSRS fund and, while they generally pay no Social Security retirement, survivor and disability tax, they must pay the Medicare tax. The employing agency matches the employee's CSRS contributions. CSRS-offset employees (i.e., those who are eligible and elect to reenter CSRS after a break in service) must contribute the same amount but they are covered by both social security and CSRS. CSRS-covered employees may, if they elect, contribute up to 8 percent of their pay to a Thrift Savings Plan account. There is no matching government contribution.

With the establishment of FERS, January 1, 1987, the CSRS became a closed system. Employees under FERS are covered by Social Security and have payroll tax deductions for this purpose. They also receive an automatic 1 percent government contribution to a Thrift Savings Plan account, can contribute up to 13 percent of their

pay to the tax deferred Thrift Savings Plan account, and can receive up to 4 percent matching government contributions.

FEDERAL EMPLOYEES GROUP LIFE INSURANCE / FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB) PROGRAM

Federal employees excluding intermittent appointees, temporary employees on appointments of less than one year, and seasonal or on-call employees expecting to work less than 6 months a year are insured in the FEGLI program on the day they actually enter on duty in a pay status, unless they file a waiver of basic insurance coverage within 31 days of their entrance on duty date or a previously filed waiver remains uncanceled. Basic life insurance is the greater of the employee's annual basic pay (rounded to the next \$1,000), plus \$2,000, or \$10,000. FEGLI also offers an Extra Benefit to employees under age 45 at no additional cost. This Extra Benefit doubles the amount of Basic life insurance payable if you are age 35 or younger. Beginning on your 36th birthday, the Extra Benefit decreases 10% each year until at age 45 there is no Extra Benefit. The Federal Government pays one-third of the cost of your Basic life insurance. Employees may also purchase additional 'optional' life insurance coverage, but there is no government contribution.

Federal employees, excluding categories listed above, may also enroll in the FEHB program. The government pays approximately 72 percent of the average premium. Employees receiving life and health insurance are allowed to continue their coverage for up to 365 days while they are on the agency rolls in a nonduty/nonpay status. While in a nonduty/nonpay status there is no cost to the employee or the agency for life insurance. However, if an employee in a nonduty/nonpay status wants to continue their health insurance coverage, the employee and their employing agency must continue to pay their respective shares of the health insurance premiums.

Temporary employees serving under appointments beyond one year are eligible for life and health insurance (employee pays all the premium plus a 2% administrative fee for health insurance).

PAID HOLIDAYS

There are 10 legal holidays for Federal employees. To be paid for a Federal holiday, both permanent and temporary employees must have a prearranged tour of duty and be normally scheduled to work that day.

Please note that most Federal employees work on a Monday through Friday schedule. For these employees, when a holiday falls on a nonworkday -- Saturday or Sunday -- the holiday usually is observed on Monday (if the holiday falls on Sunday) or Friday (if the holiday falls on Saturday).

SOCIAL SECURITY (FICA)

Social Security is an insurance program which provides retirement, survivors, and disability insurance benefits to Retired and/or disabled employees, their dependents, and their survivors. Employees, employers, and self-employed individuals finance the program through payroll taxes. Eligibility for benefits varies based on the type of benefit, the age of the beneficiary and the period of time the person has worked.

The Social Security Amendments of 1950 and later amendments provided Social Security coverage for some Federal employees, generally those employees not covered by a Federal retirement system. Before January 1, 1984, most Federal employees covered by Social Security were employees with temporary appointments and employees with intermittent work schedules. The Social security Amendments of 1983 (Public Law 98-21) extended Social Security coverage to all Federal employees hired after 31 December 1983.

MEDICARE

Medicare is a program of health insurance which was established by the Social Security Amendments of 1965 (Public Law 89-97). It is a Federal program which pays much of the health care cost of eligible persons age 65 or older and certain disabled persons. The hospital insurance program is employment related, the medical insurance program is not. Prior to January 1, 1983, Medicare coverage was provided to only those Federal employees covered by Social Security. Starting January 1, 1983, all Federal employees not covered by Social Security began paying the Medicare payroll tax and thus were covered by Medicare.

UNEMPLOYMENT COMPENSATION

Since January 1, 1955, Federal civilian employees have had unemployment insurance protection. To receive payments, a claimant must be unemployed from lack of work but be able and available for work. State unemployment compensation laws and policies vary with regard to eligibility requirements, amount of payments, and duration of payments.

WORKERS' COMPENSATION

All Federal employees are covered by workers' compensation. The Federal Employees' Compensation Act, as amended, authorized workers' compensation benefits for Federal employees with job-related injuries or diseases. Before receiving worker compensation benefits, employees who suffer traumatic injuries continue to receive their salary for up to 45 days while their claims for compensation benefits are being processed. Workers' compensation benefits include payments for medical services required as a result of the injury or disease, assistance in obtaining employment and vocational rehabilitation, compensation of loss of wages, compensation based on a schedule (for specific periods of time) for permanent physical impairments to body members identified in the statutes, and payments to survivors of employees whose deaths were job related.

SEVERANCE PAY

Employers have traditionally paid severance pay to employees who are terminated through no fault of their own, to recognize their service, and as a measure of compensation for the loss of their jobs and disruption of their lives. It is also provided to help in the transition to a new career. Severance pay is based on salary, age and number of years of service. There is a lifetime 52-week limit on the number of weeks an employee can ever be entitled to severance pay. Employees are entitled to severance pay if they have been employed continuously for at least 12 months before separation and are involuntarily separated through no fault of their own.